

## THE EVOLUTION OF THE ORGANIC PRODUCTS AND CONSUMER BEHAVIOR

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**Abstract:** *Within this paper we bring together the conceptual and practical issues regarding the organic products market and the consumer behavior specificity on this market. In the first section we introduce the importance and argue the conceptual approach. Throughout the second section, we review the evolution of the 'organic' concept and emphasize the necessity to promote this consumption trend both at European level and national level. The evolution of the 'organic' concept must be acknowledged in order to have proper meaning of its origin and usefulness. The third section presents some evidence at European level regarding the practicing of organic farming and agriculture. Section four describes the specificity of the consumer behavior on this niche market. In order to bring the suitable arguments, we present a categorization of consumers and their behavior, in section 5. Throughout the conclusion section we review the most relevant ideas and interpretations on the subject. We conclude that each type of behavior depends on previous factors that had an influence, directly or indirectly. In real life, marketing studies are directly interested to discover and analyze the triggers of consumer behavior which further determine the consumers' act of buying and that is highly more important for such a domain like organic products.*

**Key words:** *business strategy, consumer behavior, ecological agriculture, organic farming, sustainable development.*

**JEL Classification:** M11, Q13, Q57, O1.

## I. INTRODUCTION

The evolution of the 'organic' concept must be acknowledged in order to have proper meaning of its origin and usefulness. Organic farming is more or less officially made on all continents, except Antarctica, each of which has at least one agro-ecological association, one or more certification organizations for organic production and products and, of course, many farms and processing companies in order to capitalize on agricultural and food organic products. In Europe, North, Central and South America are located the most countries that practice large-scale *organic farming* and have the most extended markets of organic food (Leifeld, 2016; Moschitz & Stolze, 2009).

In Europe, organic farming is the most developed in both practical and scientific terms and the demand for organic agricultural and food products has greatly increased. In this regard, decision agents and major stakeholders have combined efforts for increasing the adoption of organic agriculture as a general objective of sustainable development. Organic farming for EU context is dynamic and complex and therefore it represents a really great challenge which must be faced in the near future (Guthman, 2004; Kirchmann et al., 2016).

In Romania, *organic farming* is pioneering in many respects. Faced with this demand, many countries, including Romania, are in difficulty as a result of the low share of organic products on the agro-food market. Results are better in research, due to the experience gained in the last years of theoretical and applied studies on the cultivation of agricultural land, as well as in promoting organic farming (Alroe & Noe, 2008; Rusali, 2010).

The reasons for the poor development of Romanian organic agriculture are: -lack of national rules in the field; -lack of political measures to promote organic farming; -very low level of knowledge of farmers. However, there are a number of environmental regulations that influence the competitiveness on international markets that the specialists from the International Institute for Sustainable Development group into three categories (Bran & Ildiko, 2009): -environmental care is translated into regulations that restrict imports based on ecological criteria; -dedicated buyers as suppliers or exporters of products to be certified with integrated environmental management systems; -firms can go green with their own efforts by creating their export niche markets or to protect their market shares. An important role for implementing these types of sustainable development is played by universities (Bejinaru, 2019; Bejinaru, 2017).

## II. EVOLUTION OF ORGANIC FARMING CONCEPT

Organic, ecological, bio - terms that have the same meaning, each being specific to different geographical areas. The term "organic" is used in the Anglo-Saxon space (English speaking): organic food, organic milk. The term "bio" is used especially in the French-German space: biological agriculture. The term "eco" or "organic" is used also in Romania and the ecolabel is written on the certification label. Explanation of terms refers to 'organically' - that relates to the structure, essence, functions of an organ or organism and 'biological' - that belong to life or biology and relate to life or biology. For agricultural products obtained through strictly controlled technologies or new technologies, the terms, 'natural' - the opposite is artificial, but the term is not fair because regardless of technology the products are "natural", 'organic' - the opposite is inorganic, the term is inconceivable because all agricultural products, even debris, are organic, produced by organisms, 'biological' - the opposite being non-biological or mineral, 'ecological' - the opposite being non-organic, so clean in the current sense of the ecological notion, chemically unbundled, pesticides free, genetically not-manipulated, without radiation surplus (Drinkwater, 2009).

On the basis of these explanations, we concluded that it is logical to use the notion of "organic" that seems most appropriate to the reality of this notion. But the term refers to the quality of agricultural products obtained from technological processes of agriculture. Certified *organic farming operations* are necessary in order to elaborate and implement an "organic system plan" at the certifying agency, providing a summary of how the operations will be developed (Bernau et al., 2015, p.34).

It is well-known that Switzerland has been the pioneer of *organic farming* in the world. The agricultural section of Goetheanum dates back to 1930. In German-speaking countries, Hans Muller is considered the founder of the concept of 'organic farming' both in theory and in practice. In 1949, he introduced the concept of 'biological farming' in his work "Biologischer Landbau" and developed an organic farm near Moschberg Bern which represented a reference training center for entrepreneurs in organic farming from Switzerland, Austria and Germany. In 1946 he founded Bio Gemuse, the first cooperative to sell organic products and set up the first mail-delivery service in boxes of organic vegetables and fruits (Lockeretz, 2007).

In 1980, organic associations founded the Bio Suisse umbrella organization that standardized organic farming. After 1990, the number of organic farms increased each year to over 6000 farms in 2008. According to Bio Suisse, 121,000 hectares are organically managed, accounting for 12% of Switzerland's agricultural area. According to the literature, in Europe historically ecological agriculture has seen the following evolution:

- 1924 is the beginning of organic farming in Germany, with the launch of Rudolf Steiner's biodynamic agriculture course;
- in the period 1930-1940, Dr. Hans Mueller works in Switzerland where he develops the organic farming system, which is currently the most widespread organic farming system in the Germanic countries (represented by "Bioland" in Germany and "BioSuisse" in Switzerland);
- in 1946 the UK Soil Association was established;
- 1967 corresponds to the publication of the first organic standards by the UK Soil Association;
- in 1972 the International Federation of Organic Agriculture Movements IFOAM is set up in Versailles, France;
- the Institute for Organic Farming Research in Switzerland, which is currently the largest research institute for organic farming in the world, is set up in 1973;
- in 1975 the Foundation "Ecology and Agriculture" in Germany is founded;
- at the level of the 1980s, the majority of organic farming associations and organizations are published and IFOAM base standards are published,
- in 1985 France adopts legislation on organic farming;
- in 1990, the first organic farming exhibition in Germany took place in Nuremberg;
- 1991, corresponds to the establishment of the IFOAM Regional Group of the European Union;
- in 1991, EU regulation 2092/91 on organic farming appears, which law becomes in 1993;
- in 1992, EU Regulation 2078/92 sets out financial support measures for organic farming in the EU and establishes the IFOAM accreditation program;
- 1995 corresponds to the launch of the first Action Plan for Organic Farming in Denmark;
- in 1999 the Rural Development Regulation no. 1257/1999, which provides for financial support measures for organic farming in the EU; EC Regulation no. 1804/19 July 1999, which refers to the production of organic agricultural products of animal origin and adopts the Codex Alimentarius guidelines;
- in 2000 in Copenhagen, the EU Agenda 2000 is being launched to provide financial support for organic farming;
- in May 2001, Copenhagen is taking the first steps towards a European Action Plan for Organic Farming (Kirchmann et al., 2008).

### III. ORGANIC FOOD ON THE LOCAL AND GLOBAL MARKET

The organic sector in the EU has been rapidly developing during the past years. Organic has become a way of living. According to Eurostat data, the EU-28 had in 2015 a total area of 11.1 million hectares cultivated as organic, up from 5.0 million in 2002. During the last decade, organic area in the EU increased by about 500 000 hectares per year. The whole organic area represents only 6.2% of total utilized agricultural area in Europe. The organic area is cultivated by almost 185 000 farms across Europe. Around 306 500 organic operators (producers, processors and importers) were registered in the EU-28 in 2015.

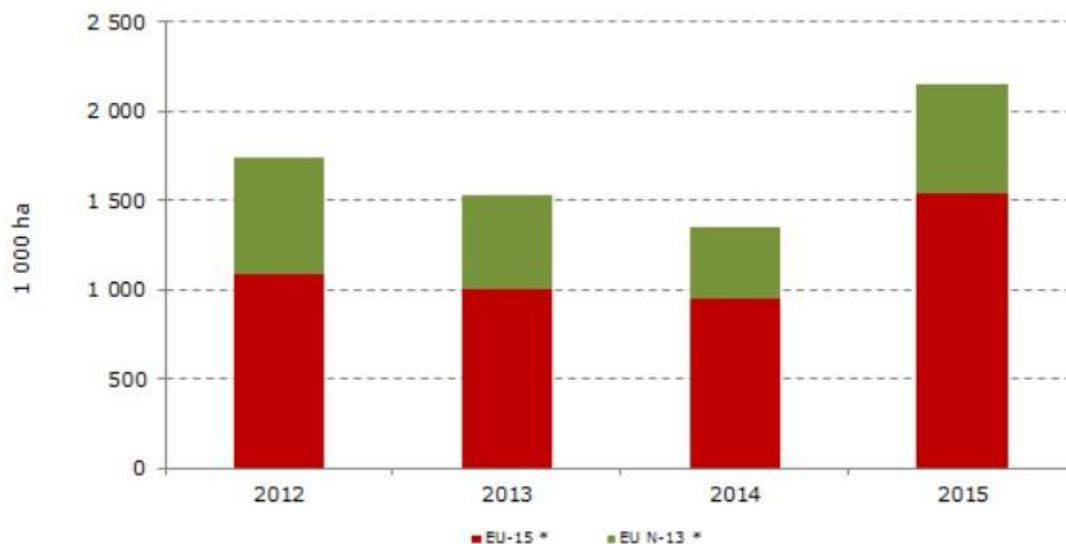


Figure 1. Organic farming in- conversion area in the UE

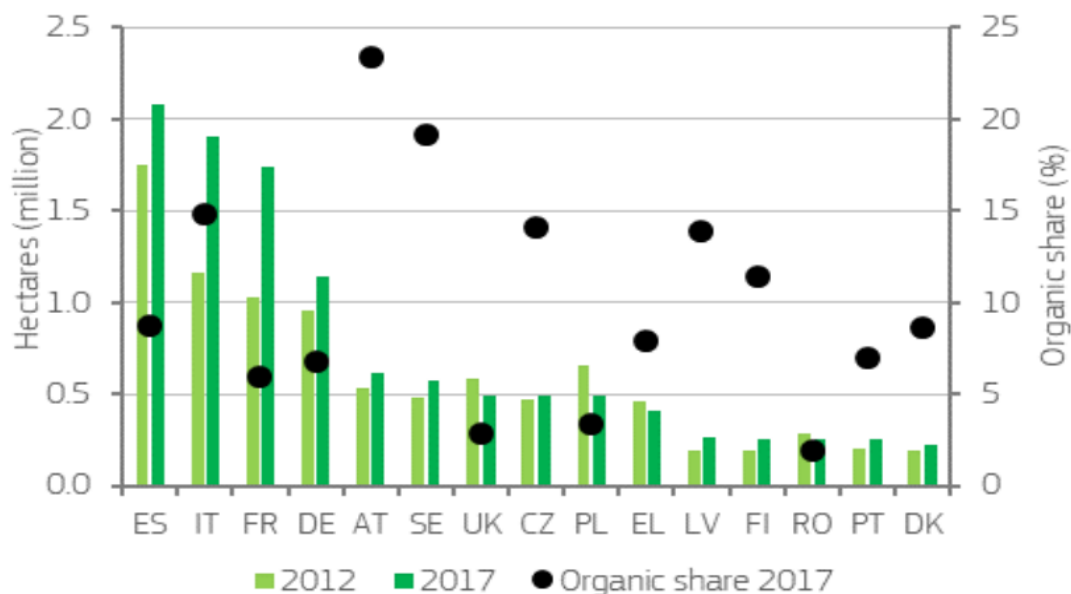
Source: <https://ec.europa.eu/agriculture/organic/eu-policy/data-statistics>

In accordance with Council Regulation (EC) 834/2007 and Commission Regulation 889/2008, Community countries use in the same sense the following terms: Organic Agriculture (England, Cyprus, Ireland, Malta), Biological Agriculture (Austria, Belgium, Bulgaria, France, Greece, Italy, Luxembourg, the Netherlands and Portugal) and organic farming (Denmark, Lithuania, Poland, Romania, Spain, Slovenia, Sweden and Hungary). Other countries also use two terms: both organic agriculture and organic farming (Czech Republic, Estonia, Germany, Latvia, Slovakia and Spain).

Organic farming is more or less officially present on all continents, each country having at least one agro-ecological association, one or more certification organizations for organic products and products and, of course, several farms and societies processing and capitalizing on agricultural and food products. In Europe, organic farming is growing in all countries, the most developed countries being Italy, England, Germany, Spain and France as a cultivated area, Luxembourg, Austria, Switzerland, Italy, Finland as a share of the agricultural area and Italy, Austria, Turkey, Spain and Germany as organic (organic, organic) farms.

According to a European Commission Report, in 2019, over half of the EU's organic area is concentrated in four countries: Spain, Italy, France and Germany, as shown in figure 2. But if we look at the organic shares, then the leading countries are Austria (23 %), Estonia (20 %) and Sweden (19 %) (EC, 2019).

In Romania, organic farming, although in the pioneering phase, is a certainty due to significant progress in area cultivated in the agro-ecological system (around 260 000 ha at the end of 2010), increasing the number of agri-environmental operators, the increase of the volume and value of organic agricultural and food products (over 120 million Euro in 2007), the diversification of agricultural and food products, the increasing the export of organic agricultural and food products (about 8% of the value of agricultural and food products exported by Romania in 2007 and 21 million in 2010). According to official European Commission reports in 2019, 33 % of all EU agricultural holdings are located in Romania, of which 72 % below 2 ha. Official sources mention that, less than 0.1 % of Romanian farms are organic (EC, 2019). Currently in Romania there are all possible forms of commercialization, from the real market: organic warehouses, specialty shelves in major hypermarkets and specialized stores in all major cities like Sibiu, Bucharest, Timisoara, Cluj, Târgu Mureş, etc., selling directly from the farm to the virtual market.



**Figure 2. Organic land, area in 2012 and 2017 (million ha), and share in 2017 (%), main producing countries**

Source: (EC, 2019)

In our country, organic farming from a legislative point of view involves the production of agri-food products without the use of fertilizers, pesticides, hormones, anabolic substances, antibiotics to stimulate production and other harmful conventional products, according to the rules of ecological production that meet the standards, national guides and specifications and are certified by an inspection and certification body set up for this purpose (Ștefănescu et al., 2015). Regarding the institutional framework, the most well-known organization at international level is the International Federation of Organic Farming Movements (IFOAM). According to Eurostat, the number of organic farms in Romania increased by almost 300% between 2010 and 2015, reaching 11,869 organic farms in 2015, from 2,989 of these farms in 2010.

In Romania, organic farming is, as in all other countries, undergoing a process of institutional consolidation and development in which the most active producer associations are: Agroecology, Bio-Farmers Association of Romania - Bioterra, Association Bio Bio, Romanian Association for Sustainable Agriculture and the National Federation of Organic Farming. At governmental level, organic agriculture in Romania is coordinated by the Ministry of Agriculture and Rural Development. At the level of each country there are certification bodies, controlled by a governmental authority (departments of the Ministry of Agriculture, Agencies, etc.). These institutions have a long tradition of over 50 years in the UK or over 25 years in France. Among these organic certification organizations are:

- Soil Association and Organic Farmers and Growers - in the UK;
- Agrocert, Ecocert, Qualite France - in France;
- Biokreis, Bioland, Biopark, Ecoland - in Germany.

#### IV. CONSUMER BEHAVIOR OF THE ORGANIC PRODUCTS

Today we are facing a global consumer typology. Consumerism has no more geographical boundaries or restrictions and thus the consumers' preferences are changing by each heart beat and at a global scale in any field, not only in organic markets but also in other fashionable markets, like all-inclusive tourism destinations (Condratov, 2014). Under the current market conditions, the consumer has become more demanding and has begun to consider more issues in his purchasing decision, conducting a personal terms negotiation (Bejinaru, 2015).

A customer is regarded in many ways/roles: - like a user, being the person who actually consumes or uses the product and receives the benefits; - like a payer, being the person who finances the purchase; or like a buyer, being the person who participates in acquiring the product, and decides over the purchasing. In such a context, organizations must pay more attention to the knowledge outgoing flux regarding the image of the organization and the promotion of its products (Brătianu et al., 2011).

In order to impress costumers, companies involve themselves in philanthropic actions which can in many cases bring important financial benefits, because a promoted and social product is selling much better. Through

this prism, companies' involvement is also visible in areas that address environmental issues, and especially pollution, quality standards, codes of ethics and sustainability strategies (Neamțu & Bejinaru, 2019).

By addressing the issue through sustainable development and social behaviour of companies, consumer purchases of environmentally friendly or sustainable products appear to be motivated not only by the products themselves but by the values they represent. For some consumers, these values are not yet translated into real behaviour, while for others, such eco-behaviour has become a way of life (Hess et al., 2015). The development of a bio-market can be achieved through the development of trade policies tailored to the specifics of each region, taking into account the degree of urbanization, the existing professional categories, the degree of damage to the environment and, implicitly, the sensitivity of the inhabitants of an area to this problem (Stolze & Lampkin, 2009).

Generally, lifestyle analyses of consumers are exciting because they seek to provide a sort of complete sociological view of the market and its segments and trends, but their general character is their biggest weakness, since the underlying assumption – that these general segments have relatively homogeneous patterns of consumer behavior – is far from proven (Solomona et al., 2006). Different studies on the consumption of "bio products" in EU countries show us the consumption level of these products, ranging from 3 to 13% for permanent consumers and between 23 and 53% for occasional consumers. The development of the bio-products market in the countries of the European Union is based on several factors:

- The existence of organized production, transformation and marketing branches;
- Existence of a potential uncovered market for production (Waite, 2000).

If we take into account the percentage of permanent and occasional organic consumers, ranging from 3 to 53%, we can see that there is a large percentage of occasional consumers who may become permanent in the near future, given the existence of trade policies to attract them.

## **V. CATEGORIES OF CONSUMERS OF ORGANIC PRODUCTS**

Accordingly, for such a large development, have emerged different categories of organic products consumers. Waite (2000) distinguishes between two major categories of consumers:

-The first category, of permanent consumers, is made up of highly educated people generally working in the public administration, aware of the legal framework and of young people who live in urban areas, generally;

-The second category is composed of intermediate professionals between the first category and the workers' professions, made up of young people in particular. The underlying reasoning behind the decision is the absence of chemical residues and a certain affinity for environmental issues. The large price difference to a particular product may even change the purchase decision, taking into account lower wages in this category. Another study, conducted by Waite (2000), segments the market into four categories of "bio consumers":

- Militant Consumers - these are permanent consumers of "bio-products" convinced by this agriculture;
- Consumers of "organic farmer products" - consumers look for the authenticity of a product and a return to the past;
- "Dietary consumers" - consumers seek a cure for disease or a healthier food for the body;
- "Newcomers" - their motivation lies in the concerns of environmental protection, product taste, or its form.

Following the studies, a number of variables have been reached for the individual prone to engage in the support and consumption of eco products, of which:

- gender: Women tend to be more inclined to take into account the issues of eco-friendliness, the most plausible explanation being the increased responsibility towards the family and health in general;
- income, high income consumers, having primary needs, tend to attach greater importance to achieving the healthiest lifestyle;
- the environment, consumers in large urban areas tend to be more aware of the degree of pollution they are subject to, and are therefore likely to try to counteract their harmful effects by tackling eco-optics;
- the level of education, the higher the level of attestation, favours the complex understanding of phenomena related to the implications of ecology at all levels, including eco-consumption;
- political orientation, liberal political beliefs leave room for a more careful and responsible analysis of the implications of ecology (Brandabur & Tanase, 2011).

## **VI. CONCLUSION**

If we have to be realistic, today, our food system, serves capital needs rather than people's needs, as it would be ideal. Global markets are dominated by a small number of corporations which determine not just what type of food is produced, but also the way it is produced and even distributed. The power of global corporations imbalances often through large investments in land, agriculture and food processing, marginalize and even took small farmers off the market. At this point, local organic farms have to act strategically on the market and follow

the dynamics of the international market, applying a imitation strategy which might bring positive results (Baesu & Bejinaru, 2014).

Romania is currently among the European countries that have codified the development of organic farming or the consumption of GMO products (Genetically Modified Organism), and it can be noticed that special attention has been paid to this issue. Indeed, the productivity of organic crops is lower if we look strictly quantitatively, but there are studies that have shown that yields are much higher due to the fact that the proper production of a certain amount of vegetables or fruit requires fewer energy and nutrient intake.

However, there are ongoing studies regarding the link between the type of agriculture and the health effects. Their purpose is to reveal what influence has the use of pesticides and chemical fertilizers in conventional crops. That is why in the cultivation of organic products, the use of pesticides is strictly forbidden and the residues from the surface of the plants are not practical.

Since not all manufacturers are in good faith, there is a very strict legislative and institutional framework in Europe and the certification of organic crops does not go on trust but on thorough checks, so organic products are controlled by a body that is strictly in order to avoid cheating the consumer.

Therefore, the importance of the consumption of organic products, as well as their production, brings nothing but benefits to man but also to other parties, and here we refer to the environment and animals alike.

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